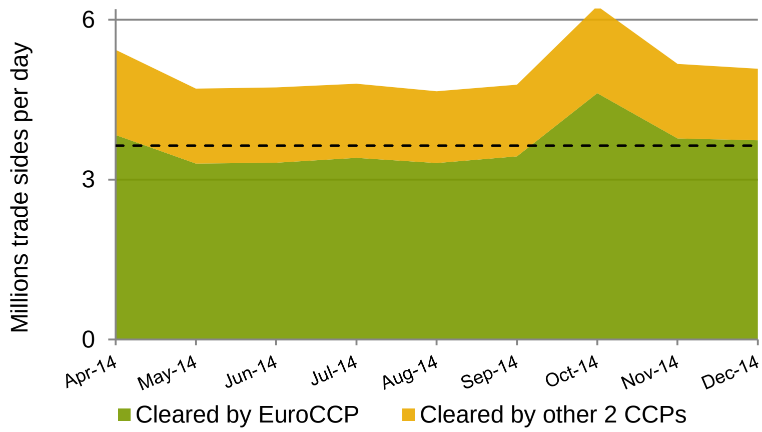
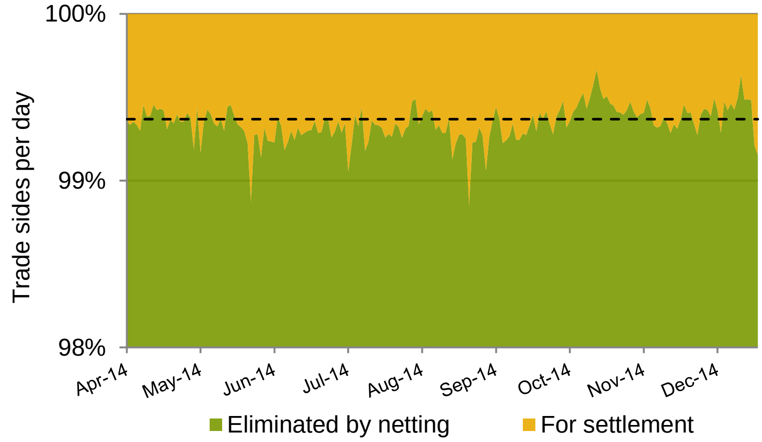
European Central Counterparty N.V.
Annual Report 2014

Mission: Be the leading equities CCP in Europe, minimize post-trade costs, maximize netting, and continuously improve risk management.

EuroCCP clears 74% of trades on platforms using 3 CCPs



EuroCCP eliminates, through netting, over 99% of trades for settlement …



… and over 70% of trading firms' market risk exposure

Letter from the CEO

2014 was a successful year for EuroCCP. It was the first full year of operation after the combination of European Multilateral Clearing Facility N.V. (EMCF) and European Central Counterparty Limited (ECCP Limited).

In April, EuroCCP became the first equities CCP to receive authorisation under EMIR. Regulators from 10 jurisdictions in the European Union and the European Securities and Markets Authority reviewed EuroCCP's application before authorisation was granted.

The company is now the largest equities CCP in Europe, with a market share of 74% on those platforms which we jointly clear with other interoperating CCPs. These interoperable platforms represent 89% of trade volumes accessible by EuroCCP. Financial performance in the first year after the merger was strong, with an operating margin of 25% and profit before tax of EUR 5.0 million.

Six platforms together with all Clearing Participants were successfully migrated from ECCP Limited to EuroCCP in the first quarter. Throughout the rest of the year, we worked hard to combine the two companies into one strong team that will have an impact in post-trade services. Entrepreneurship, collaboration and a sense of ownership are the values of the combined company. Being complete, accurate and timely is the objective of our operations processes.

At the end of the year, we conducted a client satisfaction survey to which 80% of Clearing Participants responded. The survey confirmed that we achieved 100% client satisfaction in the first year of operation. Locating client-facing functions in London and Stockholm, with operations, risk management, technology and other support functions in Amsterdam has worked well to deliver high-quality service to clients. Clients provide input and advice via the Advisory Board and Nordic Advisory Council, which are chaired by Clearing Participants, and from the Platform Advisory Council, which has a representative from each platform cleared by EuroCCP. They also help keep our risk management state of the art, by participating in our Risk Committee.

In line with clients' increasing focus on capital efficiency and their preference to reduce exposure to other financial institutions through central counterparty clearing, we will continue to expand the range of equities transactions we clear. We already accept OTC equity transactions for clearing from trading platforms' reporting services and from Traiana, a matching platform.

Our goal for 2015 is to achieve access to all platforms that are cleared by at least one interoperating CCP, thereby extending full choice to all firms trading on these platforms. Consolidated post-trade through cross-platform netting in a fragmented trading landscape provides the biggest benefit to clients. We are delighted that London Stock Exchange will become one of the platforms cleared by EuroCCP.

In 2015 we will continue our dialogue with trading platforms to gain access to an increasing number of trade sources. We will work with our clients to bring more types of transactions into safe and efficient central counterparty clearing.

Diana Chan

Diana Chan, Chief Executive Officer

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About us

European Central Counterparty N.V. (EuroCCP) provides post-trade services to stock exchanges, multilateral trading facilities (MTFs), other equities trading platforms and for OTC equities trades.

EuroCCP centrally manages counterparty risk after a trade has been executed. EuroCCP will deliver securities or make payment to clients at the price agreed at trade execution, even if the original counterparty to the trade has defaulted on its obligations. In the last quarter of 2014, EuroCCP provided central counterparty protection amounting to an average of EUR 33.8 billion of value traded on a daily basis.

EuroCCP also reduces settlement costs and operational complexity for clients. Regardless of how many trades in the same security a client has executed on a given day, EuroCCP nets all the trades into a single settlement obligation. In the last quarter of 2014, over 99.3% of trades were netted into single settlement obligations.

Headquartered in Amsterdam, EuroCCP was formed on 5 December 2013 following the combination of European Multilateral Clearing Facility N.V. (EMCF) and European Central Counterparty Limited (ECCP Limited), both incorporated in 2007. The company's shareholders are ABN AMRO Clearing Bank, BATS Chi-X Europe[1], NASDAQ and The Depository Trust & Clearing Corporation (DTCC), each with a 25% shareholding.

EuroCCP provides central counterparty (CCP) services for 16 trading platforms in Europe, and has received the mandate to clear for London Stock Exchange. The securities traded on these platforms and cleared by EuroCCP include equities, depositary receipts and ETFs from 18 national markets including the United States.

The large number of markets serviced by EuroCCP brings operational efficiency and reduces post-trade costs to clients through cross-platform netting of trades executed on multiple platforms.

EuroCCP services 164 firms that trade on platforms it clears for and has 47 active Clearing Participants with headquarters in 14 jurisdictions in Europe, North America and Asia.

CCPs are highly regulated financial market infrastructures. EuroCCP's home regulators are De Nederlandsche Bank (DNB, the Dutch central bank) and Autoriteit Financiële Markten (AFM, the Netherlands Authority for the Financial Markets).

The European Market Infrastructure Regulation (EMIR) requires all CCPs operating in the European Union to meet common risk management, governance and capital adequacy standards and replaces the local regulatory regimes which previously applied in the EU Member States. EuroCCP received regulatory authorisation under EMIR from DNB on 1 April 2014.

[1] BATS Chi-X Europe is the trading name of BATS Trading Limited.

EuroCCP at a glance

16 platforms and trade sources cleared

Alternet	NASDAQ Helsinki
Aquis	NASDAQ Stockholm
BATS Chi-X Europe	SmartPool (part of Euronext)
Burgundy (part of Oslo Børs)	Sigma-X
Equiduct	TOM
GETMatched	Traiana
NASDAQ Copenhagen	Turquoise (part of London Stock Exchange)
NASDAQ First North	UBS MTF

2 platforms pending go-live as of end-2014

Euronext London

London Stock Exchange

18 markets cleared

Austria	Italy
Belgium	Netherlands
Czech Republic	Norway
Denmark	Portugal
Finland	Spain
France	Sweden
Germany	Switzerland
Hungary	United Kingdom
Ireland	United States

4 cash accounts with central banks

De Nederlandsche Bank	Euro
Danmarks Nationalbank	Danish krone
Sveriges Riksbank	Swedish krona
Swiss National Bank	Swiss franc

Governance and organisation

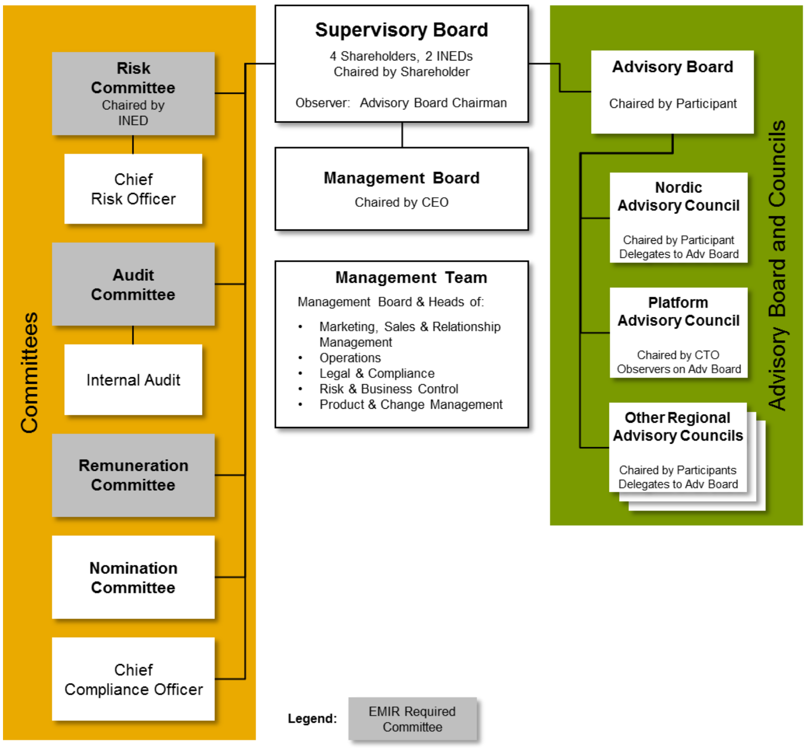
After completing the combination of EMCF and ECCP Limited in December 2013, the company is owned by four institutions each with a 25% shareholding and equal voting rights. The three original shareholders from the constituting entities ABN AMRO Clearing Bank, NASDAQ and DTCC own the company together with the new shareholder BATS Chi-X Europe.

Governance structure

The governance of EuroCCP reflects the requirements of EMIR and the two-tier board structure.

The governance structure is, in addition, designed to enable clients – both Clearing Participants who pay for services and platforms which give EuroCCP access to their trade feeds – to advise management of their service requirements.

EuroCCP governance structure overview



Supervisory Board

The EuroCCP Supervisory Board consists of six members: two independent supervisory directors (hereinafter INEDs) and four supervisory directors nominated by the shareholders. Each shareholder may nominate one supervisory director. The shareholders appoint all members of the Supervisory Board.

The Supervisory Board comprised the following members as of 31 December 2014:

- Jan Bart de Boer (1967), Chairman, Chief Commercial Officer of ABN AMRO Clearing Bank.
- Andrew Gray (1965), Managing Director, Group Chief Risk Officer of DTCC and member of the DTCC Management Committee.

- Mark Hemsley (1962), Chief Executive Officer of BATS Chi-X Europe.
- Lauri Rosendahl (1960), Senior Vice President of Nordic Equities and Equity Derivatives of NASDAQ Transaction Services Nordic.
- Peter Bezemer (1950), former member of the Executive Committee of Euronext; currently a financial services consultant.
- Iain Saville (1948), founder and former CEO of CRESTCo Ltd; currently an independent director of BNY Mellon CSD SA/NV.

The Supervisory Board has three committees: Audit Committee, Remuneration Committee and Nomination Committee.

Management Board

The Management Board consists of:

- Diana Chan (1954), Chief Executive Officer, was the CEO of ECCP Limited from 2007 and was appointed CEO when the two companies combined. Prior to that, she was with Citi and JP Morgan in regional and global management positions for post-trade services in Europe, Asia and North America.
- Albert-Jan Huizing (1961), Chief Technology Officer, joined the company (then EMCF) during the project phase in 2006. Prior to that he was with Euronext in management positions for business development and information technology, with a focus on derivatives trading.

Jan Booij (1957), Chief Operating Officer and a third member of the Management Board, left his position in November and continued in the role of advisor until end-February 2015.

Risk Committee

The Committee comprises of four representatives from Clearing Participants, three clients of Clearing Participants, and the two independent members of the Supervisory Board in compliance with EMIR requirements. Iain Saville chairs the Risk Committee. The Committee held five meetings during 2014 and discussed the following subjects:

- Terms of reference of the committee
- EuroCCP Risk Tolerance Statements
- Capital Requirements Regulation and impact on EuroCCP
- Liquidity policy and investment policy
- Criteria for accepting clearing members
- Runaway trading algorithm and limit switch
- Default handling procedure
- Stress test policy framework
- Calculation and distribution of contributions to the clearing fund

At each meeting, reports concerning the performance of the margin model were presented to the Committee.

Professor Albert Menkveld was a special guest at the meeting in September to discuss his research on crowded trades with the Committee.

Advisory boards and councils

Jeffrey King, Managing Director, Markets & Securities Services and Custody Product Development at Citibank and chairman of the Clearing Committee of the Association for Financial Markets in Europe (AFME), chaired the Advisory Board during 2014. The Advisory Board has representatives from eleven Clearing Participants and observers from the three largest trading platforms cleared by EuroCCP. The Advisory Board met three times in 2014. The chairman of the Advisory Board has a standing invitation to be an observer at EuroCCP Supervisory Board meetings.

Torbjörn Ericsson, Chief Operating Officer, Large Corporates & Institutions at Swedbank chaired the Nordic Advisory Council during 2014. The Nordic Advisory Council comprises of representatives from six Clearing Participants with headquarters in the Nordics. The Council met three times in 2014. The Council has two representatives who are members of the Advisory Board.

In the future, additional regional advisory councils will be set up as required when the business scope of EuroCCP expands.

Albert-Jan Huizing, Chief Technology Officer at EuroCCP, chaired the Platform Advisory Council during 2014. The Platform Advisory Council comprises of representatives from each platform cleared by EuroCCP and serves as a forum for them to discuss post-trade matters of common interest.

Organisation

At year-end 2014 EuroCCP has 41 employees on its payroll. The full-time equivalent is 40.7, including long-term consultants and agency staff.

The EuroCCP London office has nine employees in client-facing functions. The head of the Nordic region continues to be based in Stockholm. The Operations team is located both in London and in Amsterdam to provide dual-location resilience.

The critical functions from a regulatory perspective are based in the company headquarters in Amsterdam.

EMIR

EuroCCP obtained authorisation under EMIR in April, the first equities CCP in the European Union (EU) to have done so. EMIR sets common risk management, governance and capital adequacy standards throughout the EU and replaces the local regulatory regimes that previously applied to EuroCCP in the Netherlands, the United Kingdom, Denmark and Finland.

EuroCCP's college of regulators is composed in accordance with EMIR and consists of:

- ESMA,
- EuroCCP's national regulators,
- regulators of the platforms cleared by EuroCCP,
- regulators of the firms domiciled in the top three EU Member States that contribute the largest amount to the EuroCCP clearing fund,
- regulators of the CSDs in which EuroCCP has direct accounts,
- regulators and central banks with oversight of CCPs in the EU interoperating with EuroCCP and
- central banks of the three most relevant EU currencies in which securities cleared by EuroCCP are denominated.

Changes made in the clearing rules in order to comply with EMIR requirements, in particular in relation to segregation and portability, became effective in January 2014.

Service development

During seven weeks in the first quarter of 2014 six trading platforms and all Clearing Participants migrated from ECCP Limited to EuroCCP. The additional service features, developed to minimise the adaptations that migrating clients need to make to their processing routines, were offered as discretionary options to clients in the Nordics. Those options included: real-time trade confirmations, intraday files which only contain the trades received since the previous file, power of attorney process with Participants' settlement agents to eliminate unmatched trades and direct debit for cash collateral payments.

In the first half of the year, we continued to add markets and clients that traded on Aquis, the MTF that launched in late 2013 with three interoperating CCPs.

We completed preparations to clear Turkish equities, and are awaiting the go-live date from the trading platforms that plan to admit these equities to trading.

The initiative, which began in 2012, to clear trades not executed on organised trading platforms led to clearing for Alternet, the OTC trade source, early in 2014 and for Traiana, the matching service, later that year. Platform service hours and the cut-off time for Participant intraday margin calls were extended to 18:00 London time / 19:00 CET. Automation of end-of-day tasks ensured timely reporting to clients.

Further extension of clearing services will continue in 2015 to those transactions executed outside an order book but reported to an exchange.

Two additional trading platforms are in the process of being connected. Implementation of the London Stock Exchange trade feed, which was announced in May, is pending the completion of further risk management measures by all the inter-operating CCPs. Implementation of Euronext

London, which will list and trade exchange traded funds (ETFs), is pending platform readiness.

An improvement in settlement efficiency in the UK market was achieved in June. Since 30 June, EuroCCP uses technical features provided by Euroclear UK & Ireland ("EUI") which allow higher settlement efficiency for CCPs, the EUI "CCP services".

The shortening of the settlement cycle was successfully implemented in October across the European Union. The cycle was shortened from three days after trade date (T+3) to two days (T+2). We monitor settlement rates by market and by Clearing Participant in our efforts for continuous improvement.

Technology

Our technology supports straight through processing of equity transactions. Trade capture, multilateral netting, settlement and risk management applications form the core of our IT infrastructure.

A number of bespoke services were developed early 2014 to facilitate the migration of clients from ECCP Limited. As a result, client migration was completed smoothly within seven weeks, together with six platforms that also migrated during this period.

Exceptionally large daily volumes exceeding 10 million trade sides were processed in October and December without any disruption to processing or reporting to clients.

Intraday processing capacity was increased from 15 million to 25 million trade sides in late 2014 and early 2015. This capacity increase takes into account expected business volume increase after EuroCCP starts clearing trades for London Stock Exchange. Enhancements to software functionality and IT infrastructure were also implemented to support the anticipated volume increase from London Stock Exchange trades.

Financial results

For the year ending 31 December 2014, EuroCCP registered a profit before tax of EUR 5.0 million compared with EUR 0.6 million in the prior year. Net revenues amounted to EUR 19.6 million and expenses amounted to EUR 14.7 million.

During the year an average of 4.9 million trade sides were cleared per day, of which 1.0 million were interoperable sides, i.e. when a trade was executed between a EuroCCP Participant and a counterparty clearing through an interoperating CCP. The number of chargeable cleared sides increased by 114% and the number of interoperable sides increased by 32%. EuroCCP cleared an average of 2.6 million trade sides per day in 2013, of which 0.8 million were interoperable sides.

Net commission and fees increased by 72% to EUR 20.6 million in 2014 from EUR 11.9 million in 2013 due to increased business volume. After net interest expense of EUR 0.9 million, total net revenue was EUR 19.7 million compared with EUR 12.2 million in 2013, or an increase of 61%. Operating and administrative expenses totalled EUR 14.7 million in 2014, compared to EUR 11.6 million in 2013, the increase arising mainly from the setup and staffing of an office in London with client-facing functions.

The total capital as of year-end 2014 was EUR 33.5 million, well above the capital requirement of EUR 15.0 million according to EMIR specifications. The amount of capital in excess of regulatory requirements provides a sizeable headroom for business growth.

Detailed figures are disclosed in the financial statements and in the notes to the financial statements.

Outlook

The company received EMIR authorisation on 1 April 2014. Attention has now turned to the next item on the public policy agenda: recovery and resolution arrangements for financial market infrastructures. We expect draft regulations to be published in the second half of 2015. We fully support regulatory initiatives to increase the safety of post-trade arrangements and enhance market participants' confidence in these arrangements.

The migration of client business from ECCP Limited and the maintenance of an efficient cost base delivered the expected improvements in the financial results of the company. The establishment of a London office with client-facing functions, including a Relationship Management team, strengthened our engagement with Clearing Participants.

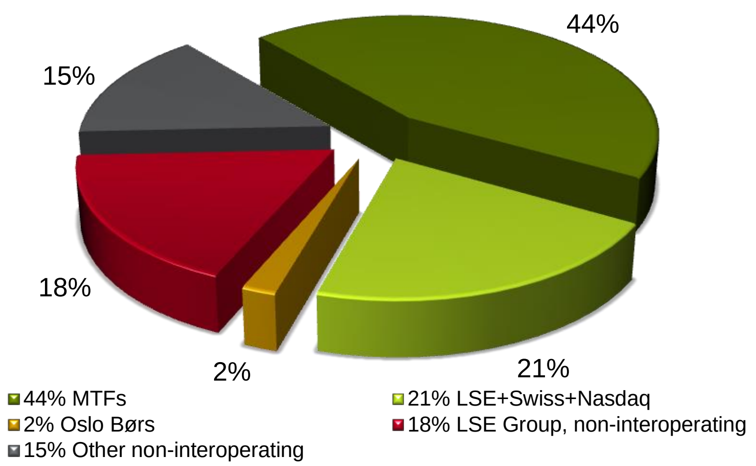
Further volume growth will come from extending clearing to more types of transactions and more trading platforms. As long as a firm already has a trade in a security on one of the 16 platforms cleared by EuroCCP, additional trades in that security from any additional platform giving its trade feed to EuroCCP can be netted together into a single settlement obligation, thereby eliminating multiple settlement costs and reducing operational complexity. We will continue to focus on gaining access to more trading platforms in order to help clients reduce costs through netting.

A year after London Stock Exchange announced it would give access to EuroCCP, SIX Swiss Exchange also announced, in June 2015, that it would give access to EuroCCP. As these platforms are already cleared by two CCPs, LCH.Clearnet Ltd. and SIX x-clear, firms trading on them will have a free choice among three CCPs.

Multiple CCPs clearing for the same platform requires the CCPs to interoperate, an arrangement whereby each CCP protects itself, by calling margin from other CCPs, from the exposure arising from the other CCPs' inability to fulfil obligations. Once an interoperability arrangement is in place between CCPs, it can accommodate the same securities traded on any platform the CCPs have access to. Since the start of interoperability between EuroCCP and the other two CCPs in 2012, EuroCCP's aim is to extend access to all platforms cleared by any one of the three interoperating CCPs.

In June 2015, Nasdaq also announced that it would give access to LCH.Clearnet Ltd and SIX x-clear. When the three interoperating CCPs' access to London Stock Exchange, SIX Swiss Exchange and Nasdaq have been implemented, the volume of trades on platforms where firms have a free choice among three interoperating CCPs will equal nearly 70% of all equity trades on organised platforms across Europe that are cleared by CCPs. The choice of CCP will result in a notable improvement to European competitiveness, and we hope that it will become a new norm for post-trade infrastructure.

Nearly 70% of trades cleared by CCPs in Europe could be cleared by the 3 interoperating CCPs



Source: Federation of European Securities Exchanges, Fourth Quarter 2014

During 2015 we will focus on preparing for the implementation of the access to London Stock Exchange and SIX Swiss Exchange, and continue our efforts to gain access to Oslo Børs, the remaining national stock exchange not served by all three interoperating CCPs. We will also work on joining TARGET2-Securities as Directly Connected Party in order to fully utilise the features that will improve settlement efficiency for us and our clients.

Opportunities to diversify beyond equities into other asset classes – such as fixed income and various kinds of derivatives including equity-linked derivatives – are assessed as they arise, but a strong business case to do so has yet to emerge. EMIR requires CCPs to segregate clearing funds and margin requirements by asset class to confine loss sharing to those Clearing Participants active in the affected market. There is, therefore, no offset benefit to clearing fund or margin requirements between different asset classes, such as equities and fixed income, or equities and interest rate swaps, even though some price correlation might exist. Margin offset between cash equities and equity derivatives cleared by the same CCP is small in value and in any case is extinguished after the equities obligation settles on T+2.

Instead of diversifying beyond equities, we will remain focused on maximising the potential to reduce costs through netting and capital relief through CCP clearing to the benefit of clearing and trading participants. This can be accomplished via access to more platforms and by portfolio margining of exchange and OTC equities transactions.

Amsterdam, 24 June 2015

Diana Chan, Chief Executive Officer

Albert-Jan Huizing, Chief Technology Officer

Report of the Supervisory Board

The Supervisory Board oversees the Management Board, supervises the general affairs of the company and the associated business, and provides advice to the Management Board. The Supervisory Board has a standing committee on remuneration of managing directors, target setting and evaluation of the company.

The Supervisory Board has two other standing committees, the Audit Committee and the Nomination Committee. The latter committee makes recommendations for the appointment of independent members. An independent member of the Supervisory Board chairs the EuroCCP Risk Committee. The Chief Risk Officer and the Chief Compliance Officer of EuroCCP have a direct reporting line to the Supervisory Board.

We held seven board meetings in 2014, all in the presence of the Management Board, and most in the presence of the Management Team. The chairman of the Advisory Board, Mr Jeffrey King, attended our meetings as observer when we discussed matters in the remit of this board. The Supervisory Board is in contact with an external auditor during the year, the auditor participating in the meetings where the annual reports are submitted for approval.

In the first months of 2014 much attention was given to the business integration of the combined companies and securing the EMIR authorisation. Risk management is a recurring item for each regular meeting. During 2014 the risk tolerance statements for the company were established following advice from the Risk Committee.

The Management Board provided the Supervisory Board with information on business operations as well as on the financial and strategic developments on a regular basis. Monthly accounting figures have been provided to us. The Supervisory Board was involved in all important decisions.

2014 was a year of consolidation and stabilisation of the company after the merger. The Supervisory Board was very pleased with the financial results for 2014, delivering a profit after tax of EUR 3.8 million, a significant improvement over 2013 and 2012 financial results, with a EUR 0.4 million profit after tax and a loss of EUR 1.8 million respectively. The 2014 improvement resulted from the successful migration of platforms and Clearing Participants from ECCP Limited and the maintenance of an efficient cost base.

During the year, Hans-Ole Jochumsen resigned from our board after assuming new responsibilities within NASDAQ. We are grateful for his significant strategic input to the direction of the firm through the past six years. His successor will be Lauri Rosendahl of NASDAQ.

Jan Booij, member of the Management Board, left the company in November and remained as an advisor until February 2015. Jan headed EMCF since its establishment in 2007 and assumed the role of Chief Operations Officer after the merger with ECCP Limited. We thank Jan for his contributions and wish him well in his next ventures.

The Supervisory Board would like to thank the Management Board and the employees for their work during 2014.

On behalf of the Supervisory Board,

Jan Bart de Boer, Chairman

Financial statements for the year 2014

Statement of financial position as at 31 December 2014

before proposed profit appropriation (x EUR 1,000)

Assets	**Note**	**2014**	**2013**
Cash and cash equivalents	1	386,530	281,606
Due from banks and due from customers	2	59,429	43,664
Property and equipment	3	159	238
Intangible assets	4	327	289
Other assets	5	6,750	4,081
Total assets		**453,195**	**329,878**

Liabilities			
Due to banks	6	187,275	214,642
Due to customers	7	224,760	81,858
VAT and other tax payables	8	36	68
Accrued interest, expenses and other liabilities	9	7,113	2,936
Pension provision	16	482	366
Total liabilities		**419,666**	**299,870**

Shareholders' equity	10		
Share capital		7,500	5,000
Share premium		5,392	7,892
Retained earnings		14,033	16,917
Adjustment IAS 19R		-	-171
Other reserves		3,083	-
Other comprehensive income		-244	-28
Result of the year		3,765	398
Total shareholders' equity		**33,529**	**30,008**
Total liabilities and shareholders' equity		**453,195**	**329,878**

Contingent assets	11	**941,527**	**523,352**
Contingent liabilities	12	**56,091**	**28,865**

Statement of comprehensive income for the year 2014

(x EUR 1,000)

Income statement

Income	**Note**		**2014**		**2013**
Interest income		765		527	
Interest expense		-1,662		-351	
Net interest income	13		-897		176
Net fees and commissions	14		20,596		11,912
Other revenue	15		-54		152
Revenue			**19,645**		**12,240**
Personnel expenses	16		-6,380		-4,175
Depreciation and amortisation	17		-480		-910
Other operating and administrative expenses	18		-7,776		-6,526
Total expenses			**-14,636**		**-11,611**
Profit before tax			5,009		629
Income tax expense	19		-1,244		-231
Profit/(Loss)			**3,765**		**398**

Statement of other comprehensive income	**Note**	**2014**	**2013**
Net profit/(loss)		**3,765**	**398**
Other comprehensive income			
Items that will not be classified to profit or loss:			
Re-measurements of defined benefit pension plan	16	-325	-37
Income tax relating to other comprehensive income	19	81	9
Other comprehensive income/(expense)		**-244**	**-28**
Total comprehensive income for the year		**3,521**	**370**

Statement of changes in shareholders' equity

(x EUR 1,000)

	Share capital	Share premium	Retained earnings	Other reserves, including result of the year	Total 2013
Opening balance as at 1 January 2013	5,000	-	18,694	-1,777	21,917
Changes in accounting Policy (IAS19R)	-	-	-171	-	-171
Restated balance	**5,000**	**-**	**18,523**	**-1,777**	**21,746**
Comprehensive income	-	-	-	370	370
Profit appropriation	-	-	-1,777	1,777	-
Addition (share premium)	-	7,892	-	-	7,892
Dividends	-	-	-	-	-
Closing balance as at 31 December 2013	**5,000**	**7,892**	**16,746**	**370**	**30,008**

	Share capital	Share premium	Retained earnings	Other reserves, including result of the year	Total 2014
Opening balance as at 1 January 2014	5,000	7,892	16,746	370	30,008
Changes in accounting Policy (IAS19R)	-	-	-	-	-
Restated balance	**5,000**	**7,892**	**16,746**	**370**	**30,008**
Comprehensive income	-	-	-	3,521	3,521
Profit appropriation	-	-	370	-370	-
Other reserves	-	-	-3,083	3,083	-
Issue ordinary shares	2,500				2,500
Share premium	-	-2,500	-	-	-2,500
Dividends	-	-	-	-	-
Closing balance as at 31 December 2014	**7,500**	**5,392**	**14,033**	**6,604**	**33,529**

Cash flow statement for the year 2014

(x EUR 1,000)

	2014	2013
Cash flows from operating activities		
Profit before taxation	5,009	629
Adjustment to reconcile profit to net cash generated by operating activities:	*482*	*910*
Depreciation and amortisation	480	910
Effect of foreign exchange rate upon re-translation of London office	2	-
Changes in operating assets and liabilities	*100,074*	*61,185*
Due from banks and due from customers	-15,765	-9,330
Due to banks	-27,367	59,303
Due to customers	142,902	12,370
Net changes in all other operational assets and liabilities	304	-1,158
Cash generated by operating activities	**105,565**	**62,724**
Income taxes paid(-)/received (+)	-202	1,079
Net cash from operating activities	**105,363**	**63,803**
Cash flows from operating activities		
Acquisition of property and equipment	-126	-124
Acquisition of intangible assets	-313	-100
Net cash flow generated by investing activities	**-439**	**-224**
Cash flows from financing activities		
Proceeds from issue of share capital	2,500	
Proceeds from share premium contribution	-2,500	7,892
Net cash from financing activities	**-**	**7,892**
Net increase in cash and cash equivalents	**104,924**	**71,471**
Cash and cash equivalents – as at 1 January	**281,606**	**210,135**
Cash and cash equivalents – as at 31 December	**386,530**	**281,606**
Supplementary disclosures of operating cash flow information		
Interest income received	763	526
Interest expense paid	-1,429	-337

EuroCCP's new acquired tangible and intangible assets (mostly related to IT) form part of the net cash flow from investing activities. Due to the nature of the activities, the funding is short term and included in the operating activities.

Accounting principles

General

These financial statements are prepared by the Management Board of EuroCCP on 24 June 2015, in accordance with IFRS – including International Accounting Standards ('IAS') and Interpretations – at 31 December 2014, as adopted by the European Union and with title 9 of book 2 of the Dutch Civil Code.

The annual financial statements are prepared under the going concern assumption. All amounts in the tables of these financial statements are denominated in thousands of euros, unless otherwise stated.

EuroCCP was incorporated on 28 February 2007, with registered office in Amsterdam, the Netherlands.

By the end of January 2014, EuroCCP was registered as a UK establishment of an overseas company at UK Companies House. The UK office is located in London.

On 11 March 2014, a change took place in the ownership: The Depository Trust & Clearing Corporation transferred its shares in EuroCCP to DTCC Global Holdings B.V.

As a result, by 31 December 2014 the company was owned as follows:

- ABN AMRO Clearing Bank N.V. (25 %)
- BATS Trading Limited (25%)
- DTCC Global Holdings B.V.(25 %)
- OMX AB (25%)

In the Netherlands, EuroCCP was placed until 31 March 2014 under the voluntary supervision of the Dutch regulators by an agreement (the "Private Law Agreement") signed by and between EuroCCP, "Autoriteit Financiële Markten" (herein after AFM), and "De Nederlandsche Bank" (herein after DNB).

On 1 April 2014 EuroCCP was granted authorisation under EMIR by the National Competent Authority, De Nederlandsche Bank N.V.

EuroCCP provides post-trade services to stock exchanges, multilateral trading facilities (MTFs), other equities trading platforms and for OTC equities trades.

The 2014 financial statements of London office are denominated in sterling; they are translated into the presentation currency of EuroCCP, namely euro and included in these financial statements.

Changes in accounting policies

Amended IFRSs

Amendments resulting from improvements to standards did not have a significant impact on the accounting policies, financial position or performance of EuroCCP during this financial year. The amendments, effective for annual periods beginning on or after 1 January 2014, are listed below:

IAS 32 Financial Instruments: Presentation provides clarifications on application of the offsetting rules and amends disclosures, The amendments clarify the meaning of "currently has a legally enforceable right to set-off": rights of set-off must not be enforceable in normal course of business, they must be enforceable in the event of default, bankruptcy or insolvency of any of all parties to the contract. The offsetting criteria require that the entity either to settle on a net basis or to realise the asset and settle the liability simultaneously.

IAS 36 Impairment of Assets: amendments to this standard clarify and modify some of the disclosure requirements regarding the measurement of the recoverable amount of impaired assets (non-financial assets), in respect of fair value less cost of disposal. Additional information must be disclosed about the discount rates used when the recoverable amount is based on fair value less costs of disposal, and fair value is calculated using a present value technique.

Amendments to **IFRS 10 Consolidated Financial Statement, IFRS 12 Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements** provide an exemption to the consolidation for investment entities (as defined in IFRS 10). The amendments define the "investment entity", give guidance in considering all facts and circumstances in assessing the investment entity and address the exemption to the consolidation. The investment entities are required to measure each investment at fair value through profit or loss.

New and amended IFRSs not yet effective

EuroCCP is in process of assessing the impact on the financial statements of the following standards, that will become effective for the company on or after 1 January 2015:

IAS 19 Employee Benefits: the amendments relate to contributions from employees or third parties to defined benefit pension plans: entities are allowed to deduct these contributions from service costs in the period in which the service is rendered. An entity is allowed to recognise these contributions as a reduction in the service cost in the period of which the service is rendered if the amount of these contributions is independent of the numbers of years of service. If the amounts of the contributions depend on the number of years of service, these contributions must be attributed to periods of services using the same attribution method used for the gross benefit. The mandatory effective date is for annual periods on or after 1 July 2014

Amendments to **IAS 16 Property, Plant and Equipment** and **IAS 38 Intangible Assets:** these clarify that revenue based method reflects a pattern of economic benefits generated from operating the business rather than the operating benefits are consumed through the use of the asset. The revenue based method is not appropriate for depreciating property, plant and equipment but it may be used in very limited circumstances to amortise intangible assets. The mandatory effective date is for annual periods starting on or after 1 January 2016.

IFRS 9 Financial Instruments: Classification and Measurement, incorporates requirements for classification, measurement, impairment, general hedge accounting, de-recognition and disclosure of financial instruments. The new amendments replace the "incurred loss" model (IAS 39) with the "expected credit loss" model, meaning that an impairment allowance is to be recognised before the loss event occurs and expected credit losses are to be recognised in the profit and loss for financial assets not measured not measured at fair value through profit and loss. The mandatory effective date for these amendments is for annual periods on or after 1 January 2018.

IFRS15 Revenues from Contracts with Customers replaces all current revenue requirements in IFRS, providing a single five step model that is applicable to all revenue from contracts with customers. The standard requires entities to exercise judgement and take into consideration relevant factors when applying the model, stipulating how and when an entity will recognise revenue and requiring more informative disclosures. The standard provides also for the recognition and measurement of some non-financial assets. The mandatory effective date for this standard is for annual periods starting on or after 1 January 2017.

Annual improvements to IFRS 2011-2013 cycle and Annual improvements to IFRS 2010-2012 cycle are applicable for annual periods beginning on or after 1 July 2014.

Although these new requirements are still being analysed and the final impact is not yet known, EuroCCP does not expect the adoption of these new or revised standards and interpretations to have a significant effect on equity and result.

Principles

Functional currency

The financial statements are stated in euros, the functional currency of EuroCCP.

Foreign currency transactions

Foreign currency transactions are accounted for using the exchange rate at the date of transaction.

Outstanding balances in foreign currencies at year end are translated at year end exchange rates for monetary items.

Foreign currency translation

Translation of non-monetary items depends on whether the non-monetary items are carried at historical cost or at fair value. Non-monetary items carried at historical cost are translated using the historical exchange rate that existed at the date of the transaction. Non-monetary items that are carried at fair value are translated using the exchange rate on the date that the fair values are determined.

The resulting exchange differences are recorded in the income statement as foreign currency gains (losses) except for those non-monetary items whose fair value change is recorded as a component of shareholders' equity.

The income statement and cash flow statement of entities whose functional currency is not denominated in euro are translated into the presentation currency (the euro) at exchange rate at the date of the transaction and their balance sheets are translated using the exchange rates prevailing at the balance sheet date. Translation exchange differences are recognised in shareholders' equity.

Trade date and settlement date accounting

All purchases and sales of financial assets requiring delivery within the period established by regulation or market convention are recognised on the trade date, which is the date on which EuroCCP becomes a party to the contractual provisions of the instrument.

Accounting estimates

The preparation of financial statements in conformity with IFRS requires the use of certain accounting estimates. It also requires management to exercise its judgement in the process of applying these accounting principles. Therefore, actual results may differ from these estimates and judgemental decisions. Estimates are reviewed on an ongoing basis.

Judgements and estimates are principally made in the following areas:

- recoverable amounts in case of indebtedness of clients; recoverable amount is based on mark-to-market of client position vis-à-vis future obligations of EuroCCP in its function as central counterparty;
- estimation of present obligations resulting from past events in recognition of provisions;
- determination of expected useful life of intangible assets and amortization method applied;
- pension benefit cost, based on actuarial assumptions and calculations; inherent within these calculations are assumptions including: discount rates, salary increases and the expected return on plan assets. Changes in pension and post retirement costs may occur in the future as a consequence of changes in interest rates, the return on assets or other factors, such as inflation and expected salary increase;
- income taxes for the current year are recognised within the income statement, based on estimations; actual income tax might differ from it, based on the applicable tax/fiscal laws in each jurisdiction and are available upon the tax return forms filed with and accepted by local tax authorities.

Offsetting

Financial assets and liabilities are offset and the net amount reported on the balance sheet if there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. Assets are recorded net of any accumulated provision for impairment loss.

Cash flow statement

The statement of cash flows, based on the indirect method of calculation, gives details of the source of cash and cash equivalents which became available during the year and the application of these cash and cash equivalents over the course of the year. The cash flows are analysed in to cash flows from operating activities, investing activities and financing activities.

The net result is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows.

Given the short-term character of the funding, cash flows from funding activities are recognised under cash flows from operating activities and not as cash flows from financing activities.

Investing activities are comprised of acquisitions/disposals of property and equipment.

Interest received and interest paid are presented as cash flows from operating activities in the cash flow statement. Dividends received are classified as cash flows from operating activities. Dividends paid are classified as cash flows from financing activities.

Classification and measurement of financial assets and liabilities

EuroCCP classifies financial assets and liabilities based on the business purpose of entering into these transactions.

All maturities were shorter than three months. If this is not the case, they are separately disclosed in the notes to these financial statements.

Financial assets

Financial assets comprise cash and cash equivalents, loans (due from banks and due from customers) and receivables (other assets).

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

The measurement and income recognition in the income statement depend on the IFRS classification of the financial assets being:

- cash and cash equivalent; or
- loans and receivables

Financial assets are recognised on the date at which they are originated and are initially measured at transaction price (being the fair value of the consideration). Subsequently, they are measured at amortised cost using the effective interest method, with the periodic amortisation recorded in the income statement.

Measurement of impaired assets

An asset is impaired when its carrying amount exceeds its recoverable amount. The carrying amount of impaired assets is reduced to the net present value of its estimated recoverable amount and the change in the current year is recognised in the income statement.

Financial assets are impaired when it can be demonstrated objectively that a loss has occurred after initial recognition and that the loss event has impact (that can be reliably estimated) on future cash flow of the asset.

Financial liabilities

Financial liabilities comprise within the books of EuroCCP of amounts due to banks and amounts due to customers (demand deposits).

Financial liabilities are recognised on the date at which they are originated and are initially measured at transaction price. They are subsequently measured at amortised cost using the effective interest method, with the periodic amortisation recorded in the income statement.

Balance sheet items

Financial assets

Cash and cash equivalents

Cash and cash equivalents comprise freely available balances with central banks and other financial institutions and instruments, readily convertible into known amounts of cash, with original maturity of three months or less, and subject to insignificant risk of changes in value.

Due from banks and due from customers

Due from banks and due from customers include loans originated by EuroCCP by providing money directly to the borrower or to a sub-participation agent.

Other assets

Other assets arising from the normal course of business and originated by EuroCCP are initially recorded at transaction price and subsequently measured at fair value: the amortised cost using the effective interest method, less provisions for impairment.

Non-financial assets

Property and equipment

Fixed assets are stated at cost less accumulated depreciation and any accumulated impairment losses. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction. Depreciation is recognised as expense in income statement account and it is calculated on the straight-line method to write down the cost of such assets to their residual values over their estimated useful lives. The residual value and the useful life of property and equipment is reviewed at each financial year-end.

At 31 December 2014, EuroCCP's fixed assets are represented by leasehold improvements, equipment and motor vehicles and IT equipment.

Subsequent expenditure on fixed assets is capitalised only when it increases the asset's future economic benefits.

Repairs and maintenance expenses are charged to the income statement when the expenditure is incurred. Expenditures that enhance or extend the benefits of fixed assets beyond their original use are capitalised and subsequently depreciated.

The useful life for EuroCCP's property and equipment is set at either three or five years.

Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance, controlled by the entity as a result of past events and from which future economic benefits are expected to flow. When initially recognised, an intangible asset is measured at cost (reliably measured).

At 31 December 2014, EuroCCP's intangible assets were represented mainly by acquired software. Software for computer hardware that cannot operate without that specific software, such as the operating system, is an integral part of the related hardware and it is treated as property and equipment.

The acquired software is stated at cost less accumulated amortisation and accumulated impairment losses. It is amortised using the straight-line method over the estimated useful life of three years.

Amortisation is recognised as expense in the income statement on a straight-line basis over the estimated useful life, from the date the software is available for use. Amortisation methods, useful lives and residual value are reviewed at each financial year-end.

Subsequent expenditure on software is capitalised only when it increases the asset's future economic benefits.

Impairment of non-financial assets

Property, equipment and intangible assets are assessed at each balance sheet date or more frequently if necessary, in order to determine whether there is any indication of impairment. If such indication exists, the assets are subject to an impairment review. An impairment loss is recognised whenever the carrying amount of an asset that generates largely independent cash flows, exceeds its recoverable amount. The recoverable amount of an asset is the higher of its fair value less cost to sell and its value in use. To calculate value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market rates and the risks specific to the asset.

Impairment losses are recognised in the income statement as a component of depreciation and amortisation expense. Impairment losses are reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

By 31 December 2014, no impairment loss was recognised relevant to non-financial assets.

Financial liabilities

Due to banks and due to customers

Due to banks and due to customers are amounts on demand.

Demand deposits are initially measured at transaction price and subsequently measured at amortised cost using the effective interest method, with the periodic amortisation recorded in the income statement.

Balances with clearing members (clearing fund) are included in due to banks and due to customers upon initial recognition.

Other liabilities

Other liabilities arising in the normal course of business are recognised and recorded at cost.

Pension liability

EuroCCP provides a defined benefit (career average) plan, with unconditional indexation for employees and conditional for former employees, to all its employees in Amsterdam. EuroCCP employees in London and Stockholm benefit from defined contribution plans, in accordance with local conditions/industry practices.

A defined contribution plan is a pension plan under which EuroCCP pays fixed contributions. EuroCCP has no legal or constructive obligations to pay further contributions if the assets are not sufficient to pay the employee the benefits relating to employee service in the current and prior periods. The risk that benefits will be less than expected (actuarial risk) and the risk that assets invested will not be sufficient to meet the expected benefits (investment risk) fall on the employee.

EuroCCP's contributions to defined contribution pension plan are charged to the income statement in the year to which they relate.

A defined benefit plan is a post-employment benefit plan that defines an amount of pension benefit an employee will receive on retirement, dependant on more factors such as age and years of service. Actuarial risk (benefits will be less than expected) and investment risk (assets invested will not be sufficient to meet the expected benefits) fall on the entity; in case actuarial or investment experience turn worse than expected, the entity's obligation may be increased.

Accounting for defined benefit plan requires actuarial assumptions and techniques in order to measure the obligation and the expense and actuarial gains and losses. The calculation is annually performed by qualified actuaries.

Actuarial techniques are used to make reliable estimates of the amount of the benefit employees earned in return for their services in current and prior periods. The entity determines the benefits for current and prior periods and makes estimates about demographic and financial variables that will influence the cost of the benefit.

The Projected Unit Cost method is used to determine the present value of the defined benefit obligation and the related current service cost. Under this method, the present value of pension commitments is determined on the basis of the number of active years of service up to the balance sheet date and the estimated employee salary at the time of the expected retirement date, discounted using the market rate of interest on high-quality corporate bonds.

Pension costs for the year are established at the beginning of the year based on the expected service and interest costs and the expected return on the plan assets, plus the impact of any current period curtailments or plan changes.

When the benefit formula is based on future compensation and social security levels, they are projected to the age at which the employee is assumed to leave active service using assumptions about the level of growth. In normal circumstances, the projected accrued benefit is based upon the plan's accrual formula. If service in later years leads to a materially higher level of benefit than earlier years, the projected accrued benefit is calculated by attributing benefits on a straight-line basis over the relevant period. The fair value of assets is used to determine the expected investment return during the year.

The pension scheme in Amsterdam is funded through a guaranteed insurance contract. The market value of the assets is determined as the discounted stream of guaranteed benefit payment at the market rate, increased with expected future profit sharing, if any. Plan assets are invested by the insurance company; only positive resulting profits are shared with EuroCCP (i.e.in case where the investment return exceeds the contractual discount rate). The insurance company provides a guarantee that any shortfall is not for the account of EuroCCP.

Due to the nature of the insurance contract of EuroCCP with the insurance company, accrued benefits are insured by the insurance company. The plan assets are therefore assumed to equal the market value of these accrued benefits. For determining this market value, the accrued benefits are discounted with a market rate, that was assumed to be equal to the discount rate used for the defined benefit obligation valuation. In the asset value only benefits that are insured on capital / accrual base are taken into account. Benefits that are insured on a risk basis (like waiver of premium due to disability for active employees) are not included in the asset value since the risk event has not yet occurred (if any). Benefits insured on risk basis therefore have no withdrawal or discontinuance value.

EuroCCP adopted IAS 19R starting 1 January 2013, as it became effective. Actuarial gains and losses that arise in the current fiscal year are recognised in other comprehensive income.

Provisions

Provisions are liabilities with uncertainties in the amount or timing of payments. Provisions are recognised if there is a present obligation to transfer economic benefits (such as cash flows), as a result of past events and a reliable estimate can be made at the balance sheet date. Provisions are estimated based on all relevant factors and information existing at the balance sheet date.

Contingent assets and liabilities

Contingent assets and liabilities are those uncertainties where an amount cannot be reasonably estimated or when it is not probable that payment will be required to settle the obligation. Contingent assets and liabilities are not recognised in the financial statements.

Transactions with related parties

In the normal course of business, EuroCCP enters into various transactions with related companies. Parties are considered to be related if one party has the ability to control or exercise significant influence over the other party in making financial or operating decisions. Within the context of these financial statements, related parties are ABN AMRO Clearing Bank N.V. in Amsterdam and its group companies, BATS Trading Limited and its group companies , DTCC Global Holdings B.V. and its group companies, OMX AB and its group companies, and the members of the Management Board of EuroCCP.

EuroCCP operates at arm's length from ABN AMRO group companies. EuroCCP's transactions with ABN AMRO are subject to normal market contracts and relate mainly to some of its funding, clearing, settlement and securities borrowing.

The amounts receivable or payable to related companies are disclosed in the notes to the financial statements.

Shareholders' equity

Share capital

Incremental costs directly attributable to the issue of new shares, other than on a business combination, are deducted from equity net of any related income taxes. Other elements recorded in shareholders' equity are related to foreign currency translation effect.

Income statement items

Interest income and expense

Interest income and interest expense are recognised for all interest bearing instruments in the income statement on an accrual basis, using the effective interest method based on the actual purchase price, including direct transaction costs.

Interest income is the result of current balances and settlement funding.

Once a financial asset has been amortised to its estimated recoverable amount, interest income is thereafter recognised based on the effective interest rate that was used to discount future cash flows for measuring the recoverable amount.

Realised and unrealised gains and losses

Realised and unrealised gains and losses represent foreign exchange transaction differences, from translation of monetary and non-monetary items. For further accounting treatment, refer to foreign currency transactions.

Fees, commission income and transaction costs

Fees earned on services provided are generally recognised as revenue at the time when the services are provided. If it is unlikely that a specific lending arrangement will be entered into and the loan commitment is not considered as a derivative, the commitment fee is recognised as revenue on a time proportion basis over the commitment period.

The specific settlement fees charged by settlement agents are passed on to the clients.

Transaction costs are included in the initial measurement of financial assets and liabilities other than those measured at fair value through profit or loss. Transaction costs refer to incremental costs directly attributable to the acquisition or disposal of a financial asset or liability. These include fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties.

Expenses

EuroCCP's expenses include staff expenses and other administrative expenses, charged to the income statement in the period in which they arise.

Corporate tax expense

Income tax payable on profits is recognised as an expense based on the applicable tax laws in each jurisdiction, in the period in which profits arise. The tax effects of income tax losses available for carry-forward are recognised as a deferred tax asset if it is probable that future taxable profit will be available against which those losses can be utilised.

Risk management

Credit risk

EuroCCP is exposed to credit risk predominantly in the event that a Clearing Participant fails to meet a financial or contractual obligation.

EuroCCP mitigates credit risk through minimum capital requirements for Clearing Participants and by monitoring their financial health. To cover potential loss to EuroCCP in the event of a Clearing Participant default, collateral is required from Clearing Participants.

EuroCCP accepts both cash and non-cash collateral with haircuts as specified in EuroCCP's Regulation Collateral[2]. Clearing Participants must deposit a percentage (currently 70%) of their required collateral directly with EuroCCP. The remaining collateral may be held in an account at a financial institution and pledged to EuroCCP or it may be directly deposited with EuroCCP. As of 31 December 2014, EUR 458 million was directly deposited with EuroCCP and EUR 190 million was pledged to EuroCCP. When cash collateral is deposited with EuroCCP, EuroCCP invests it in accordance with the Regulation EuroCCP Investment Policy.

The value of the collateral (cash and bonds) held by EuroCCP was EUR 648 million as of 31 December in 2014 and EUR 474 million in 2013.

The cash held by the Clearing Participants in the cash collateral accounts, the own funds of EuroCCP and the cash held in the Clearing Fund account are invested in accordance with the Regulation EuroCCP Investment Policy[3] (hereinafter REIP). The REIP specifies the approved types of transaction which EuroCCP may use to make investments, the type of securities that may be invested in, the eligible counterparties and the custodians where the securities can be held. Placements of cash made pursuant to the REIP are safeguarded by government securities received as collateral for the cash placements. The collateral received is subject to the concentration limits stipulated in the REIP. EuroCCP receives full title to the collateral. The collateral is used to secure intraday credit from DNB or to support credit arrangements with commercial banks.

Besides potential defaults of Clearing Participants, the main credit risk faced by EuroCCP is exposure to Clearing Participants when a trade fails to settle. To mitigate these risks, EuroCCP charges a fail fee to discourage late settlements. This fee covers not only the cost for EuroCCP but it is also meant to work as a deterrent as required by Regulation (EU) No 236/2012 on short selling and certain aspects of credit default swaps. In the event that a trade still fails to settle after a certain period of time, EuroCCP will start a buy-in process, the costs of which are borne by the failing Clearing Participant. For more detail, refer to EuroCCP's Regulation Buy-in[4].

[2] Regulation Collateral is available on our website: www.euroccp.com.
[3] Regulation EuroCCP Investment Policy is available on our website: www.euroccp.com.
[4] Regulation Buy-in is available on our website: www.euroccp.com.

Offsetting financial assets and liabilities

The financial assets and liabilities of EuroCCP do not meet the criteria for offsetting in the statement of financial position and are shown gross.

The financial assets and liabilities are subject to the agreements in place, as part of the company's day to day activity. The agreements create a right of set-off of recognised amounts, enforceable only following an event of default, insolvency or bankruptcy of the other party to the contract.

The following tables show assets and liabilities and the related amounts not offset in the statement of financial position at 31 December 2014:

Financial assets	Gross amount of recognised financial assets	Gross amounts of recognised financial liabilities offset in the statement of financial position	Net amounts of financial assets presented in the statement of financial position	Related amounts not offset in the statement of financial position: Financial instruments (including non-cash collateral)	Related amounts not offset in the statement of financial position: Cash collateral received	Net amount
Cash and cash equivalents	386,530	-	386,530	-592,213	-	-205,683
Due from bank and due from customers	59,429	-	59,429	-59,429	-	-
Total	**445,959**	**-**	**445,959**	**-651,642**	**-**	**-205,683**

Financial liabilities	Gross amount of recognised financial liability	Gross amounts of recognised financial assets offset in the statement of financial position	Net amounts of financial liability presented in the statement of financial position	Related amounts not offset in the statement of financial position: Financial instruments (including non-cash collateral)	Related amounts not offset in the statement of financial position: Cash collateral received	Net amount
Due to banks	187,275	-	187,275	-59,429	-127,846	-
Due to customers	224,760	-	224,760	-	-224,760	-
Total	**412,035**	**-**	**412,035**	**-59,429**	**-352,606**	**-**

Liquidity risk

EuroCCP is exposed to liquidity – the risk that the company is unable to meet its payment obligations at any point in time. EuroCCP operates a liquidity risk framework to identify, measure and monitor its settlement and funding flows.

Liquidity is mainly required for securities settlement. By nature of its role as a counterparty to Clearing Participants, EuroCCP must pay for securities received before it receives payment for securities delivered; this process requires intraday liquidity. If the delivery fails on the settlement date, then the intraday liquidity will turn into an overdraft until the delivery can settle.

EuroCCP continuously manages its payment obligations which are covered through both committed and uncommitted liquidity facilities. These facilities are used for intraday settlement requirements and the facilities at the end of 2014 were assessed as adequate by the Management Board of EuroCCP.

During 2014 the usage of intraday liquidity facilities increased as a result of increased settlements.

A credit facility with DNB is in place for the provision of emergency liquidity under unforeseen circumstances. In this context, EuroCCP has access to Target 2 as an ancillary system in order to obtain very rapid access to the liquidity.

The tables below set out the maturities of the company's financial assets and liabilities, at 31 December 2014:

Financial assets	Less than one month	Between one and three months	Between three and six months	Between six and twelve months	Between one and two years	Between two and five years	Between five and ten years	Total
Cash and cash equivalents	386,530	-	-	-	-	-	-	386,530
Due from banks and due from customers	59,429	-		-	-	-	-	59,429
Other assets	1,864	3,585	791	155	3	-	-	6,398
total	**447,823**	**3,585**	**791**	**155**	**3**	**-**	**-**	**452,357**

Financial liabilities	Less than one month	Between one and three months	Between three and six months	Between six and twelve months	Between one and two years	Between two and five years	Between five and tenyears	Total
Due to banks	187,275	-	-	-	-	-	-	187,275
Due to customers	224,760	-	-	-	-	-	-	224,760
Accrued interest, expenses and other liabilities	1,311	3,067	186	868	1,017	116	-	6,565
total	**413,346**	**3,067**	**186**	**868**	**1,017**	**116**	**-**	**418,600**

Market risk

EuroCCP is exposed to market risk in the event that a Clearing Participant defaults and the market prices of the securities in its open positions have moved adversely so that EuroCCP can only close out the Participant's obligations at a loss.

To mitigate market risk, EuroCCP collects collateral from Clearing Participants to cover the probable loss during normal market conditions, and also contributions to the clearing fund to cover losses if a default occurred during extreme but plausible market conditions. Adverse movements in exchange rates affecting the value of obligations and collateral are factored into the calculation.

After each day's trades have been netted, EuroCCP calculates the maximum theoretical loss of the portfolio of all open net positions based upon a 99.7% confidence level (three standard deviations) and assumes a three-day time horizon would be required for liquidation. In this calculation the dominant factor is the price risk for each security; however, other risk factors such as FX risk are also taken into account. In 2014 this process demonstrated that EuroCCP did not need to make any adjustment to the parameters of the model.

For intraday calculations, EuroCCP recalculates the margin requirement every minute, using the most up to date positions and market prices. EuroCCP has the authority and the operational ability to demand additional collateral at any time, whenever there is a significant intraday collateral deficit.

EuroCCP provides a real time cleared trade feed to Clearing Participants to enable them to also perform intraday or real time risk management in respect of their clients.

The collateral required to cover for extreme but plausible market conditions is collected into a clearing fund. The amounts and percentages of the respective contribution per Clearing Participant are stipulated in the Regulation Clearing Fund. On a daily basis, stress tests are performed where portfolios are stressed along various scenarios. These stress tests can be as extreme as anticipating a market move of 40% across the whole portfolio of equities. The results of the stress tests are used to confirm that the EuroCCP risk framework is adequate at all times. The outcome of these stress tests is reported to EuroCCP's regulators.

EuroCCP is also exposed to FX risk where receipts and payments take place in non-euro currencies, such as invoices received from settlement agents. This exposure was negligible in 2014 as the vast majority of payments was in euro.

EuroCCP does not take interest rate risk on the cash part of the margin and clearing fund deposits it holds since EuroCCP pays out the interest it receives minus costs. As a result of a commercial decision by EuroCCP in the context of negative Euro interest rates, some components of the interest cost were not passed through, creating a net interest cost within the statement of comprehensive income.

Investment risk is the risk that invested cash is reduced in value upon maturity. This risk is mitigated through the strict application of the investment policy of EuroCCP, as set out in REIP.

EuroCCP does not run other price risk (the risk that fair value of future cash flows of the financial instruments will fluctuate due to changes in the market prices, other than those arising from interest rate risk or currency risk).

The size of the EuroCCP clearing fund as of 31 December 2014 was EUR 123 million on deposit, significantly above the actual required contribution of EUR 98 million.

Operational risk

Operational risk is monitored and controlled by the Business Control Department. It initiates and coordinates the implementation of risk-reducing, mitigating actions, as directed by the Management Board. Key risk indicators are used to monitor this process, in the context of the Supervisory Board's risk tolerance statement.

EuroCCP did not incur any significant operational loss in 2014.

Fair value measurement

Fair value reflects the price (exit price) that would be received on selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The transaction is considered to take place either in the principal market for that asset/liability or in the most advantageous market where no principal market exists.

Fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that they act in their own economic best interest.

Fair value of financial assets and liabilities

Financial assets and liabilities are valued using the hierarchy below, to determine their fair value:

- level 1: unadjusted quoted prices for identical assets or liabilities in active markets;
- level 2: inputs other than quoted prices in active markets for identical assets and liabilities that are observable either directly or indirectly for substantially the full term of the asset or liability; and
- level 3: unobservable inputs for the asset or liability, which include management's own assumption about the assumptions market participants would use in pricing the asset or liability, including assumptions about risk.

The assumption used in the measurement is that the liabilities would remain outstanding and the market participant transferee would be required to fulfil the obligation. The liability would not be settled with the counterparty or otherwise extinguished on the measurement date.

When a quoted price for the transfer of an identical (or a similar) liability or entity's own equity instrument is not available, and that identical (or similar) item is held by another party as an asset, the measurement of the fair value is performed from the perspective of a market participant that holds the identical item as an asset at the measurement date, by:

- using the quoted price in an active market for the identical item, or if not available;
- using other observable inputs, or if not available;
- using another valuation technique (i.e. income approach, or market approach).

Financial assets and financial liabilities are recognised on the date at which they are originated and are initially measured at transaction price. Subsequently, they are measured at amortised cost using the effective interest method, with the periodic (monthly) amortisation recorded in the income statement.

As at 31 December 2014, we was not aware of any difference between the carrying value of the financial assets and financial liabilities and their estimated fair value.

Disclosure of the contingent assets at 31 December 2014 is presented below:

Contingent assets	Value (market value)	Quoted market prices in active markets (level 1)	Valuation techniques - observable inputs (level 2)	Valuation techniques - significant unobservable inputs (level 3)	Net amount
Non-cash contribution to clearing fund (bonds)	31,700	31,700	-	-	31,700
Non-cash deposits to interoperability fund (bonds)	36,831	36,831	-	-	36,831
Non-cash mandatory collateral deposits (bonds)	205,314	205,314	-	-	205,314
Collateral received (bonds)	592,213	592,213	-	-	592,213
Total	**866,058**	**866,058**	**-**	**-**	**866,058**

EuroCCP does not have any economic interest in the contingent assets. Details of the contingent assets are presented within Note 11.

Notes to the balance sheet as at 31 December 2014

(x EUR 1,000)

ASSETS

	2014	2013
1. Cash and cash equivalents	**386,530**	**281,606**
This item comprises cash on hand, freely available balances with central banks and other financial institutions with less than three months maturity from the date of acquisition.		
From the total balance, EUR 91 million relates to the balance of clearing participants. This balance will be available only pursuant to the rules of the clearing fund.		
The table below shows the components of cash and cash equivalents at 31 December.		
Cash and cash equivalents with central banks	7,205	4,547
Cash and cash equivalents with related party companies	325,661	263,442
Cash and cash equivalents with third party companies	53,664	13,617
Closing balance as at 31 December	**386,530**	**281,606**
Components of cash and cash equivalents:		
Own cash	33,400	29,980
Cash and cash equivalents, available for use in EuroCCP, day-to-day operations	353,130	251,626
Closing balance as at 31 December	**386,530**	**281,606**

2. Due from banks and due from customers	**59,429**	**43,664**
This item includes all accounts receivables from customers that relate to business operations (fully collateralised by securities) and do not belong to cash and cash equivalents.		

	2014	2013
3. Property and equipment	**159**	**238**

The property and equipment consist of equipment and motor vehicles, leasehold improvements and IT equipment.

				2014	2013
	Leasehold improvement	**Equipment and motor vehicles**	**IT equipment**	**Total**	**Total**
Cost as at 1 January	**160**	**190**	**1,282**	**1,632**	**1,508**
Additions/disposals	0	5	121	126	124
Closing balance as at 31 December	**160**	**195**	**1,403**	**1,758**	**1,632**
Accumulated depreciation at 1 January	-99	-133	-1,162	-1,394	-972
Depreciation expense	-52	-51	-102	-205	-422
Accumulated depreciation as at 31 December	**-151**	**-184**	**-1,264**	**-1,599**	**-1.394**
Closing balance as at 31 December	**9**	**11**	**139**	**159**	**238**

Leasehold improvement is depreciated over 5 years and IT equipment over 3 years. Most of the equipment and motor vehicles are depreciated over 5 years. For year ended 31 December 2014, EuroCCP has no impaired assets.

	2014	2013
4. Intangible assets	**327**	**289**

The intangible assets consist mostly of acquired software that is not an integral part of the hardware and it is amortised in 3 years.

For year ended 31 December 2014, EuroCCP has no impaired assets.

The tables below show the components of intangible assets at 31 December.

Software at cost as at 1 January	1,695	1,595
Acquired software at cost – additions	313	100
Closing balance as at 31 December	**2,008**	**1,695**
Accumulated amortisation as at 1 January	-1,406	-918
Amortisation expense	-275	-488
Accumulated amortisation as at 31 December	**-1,681**	**-1,406**
Closing balance as at 31 December	**327**	**289**

	2014	2013
5. Other assets	**6,750**	**4,081**
The table below shows the components of other assets at 31 December:		
Fees receivable from clients	1,724	637
Prepayments and Accruals	4,622	2,456
Tax asset	-	494
Deferred tax asset	352	270
Other	52	224
Closing balance as at December 31	**6,750**	**4,081**

Prepayments and accruals consists of payments made in advance to providers of services and goods (according to commercial agreements in place) and fees to be charged to clients for the month of December 2014, as the invoicing process takes place after the end of the month.

Components of other assets:		
Other assets (accruals) related parties	188	144
Other assets third parties	6,562	3,937
Closing balance as at 31 December	**6,750**	**4,081**

LIABILITIES

	2014	2013
6. Due to banks	**187,275**	**214,642**
The table below shows the components of due to banks at 31 December:		
Demand deposits due to banks	187,275	214,642
Closing balance as at 31 December	**187,275**	**214,642**

This item includes, among others, balances of those clearing participants which are banks in the Clearing Fund (EUR 54 million) and mandatory collateral deposits (EUR 62 million).

The due to banks item can be split up as follows:

Demand deposits due to related party banks	48,421	86,824
Demand deposits due to third party banks	138,854	127,818
Closing balance as at 31 December	**187,275**	**214,642**

	2014	2013
7. Due to customers	**224,760**	**81,858**
The components of due to customers at 31 December are as follows:		
Demand deposits due to customers	224,760	81,858
Closing balance as at 31 December	**224,760**	**81,858**

This item comprises balances of non-bank clearing participants (customers) in the clearing fund (EUR 37 million) and mandatory collateral deposits (EUR 188 million).

The demand deposits are all due to third party customers.

8. VAT and Other tax payable	**36**	**68**
EuroCCP settles VAT directly with the tax authority in the Netherlands.		
As at 31 December the composition of VAT and other tax payable is as follows:		
VAT payable	36	68
Closing balance as at 31 December	**36**	**68**

9. Accrued interest, expenses and other liabilities	**7,113**	**2,936**
As at 31 December the composition of accrued interest and other liabilities is as follows:		
Accrued interest charges	265	32
Payables	592	486
Accruals	2,131	1,362
Salary related payables	1,788	879
Tax payable	548	-
Other	1,789	177
Closing balance as at 31 December	**7,113**	**2,936**

The accruals item consists of cost reservations where orders had been placed but invoices not received. Most of the reservations relate to costs incurred in December 2014.

Components of accrued interest, expense and other liabilities:		
Accrued interest, expense and other liabilities related parties	754	348
Accrued interest, expense and other liabilities third parties	6,359	2,588
Closing balance as at 31 December	**7,113**	**2,936**

	2014	2013
10. Shareholders' equity	**33,529**	**30,008**

On 6 January 2014, EuroCCP issued 2,500 new shares, each share having a nominal value of EUR 1,000, equally distributed to the shareholders. The new shares were issued at par and paid by transfer from the share premium reserve.
At year-end 2014, authorised share capital amounts to EUR 15 million distributed over 15,000 ordinary shares, each having a nominal value of EUR 1,000.

	2014	2013
Share capital	7,500	5,000
Share premium	5,392	7,892
Retained earnings	14,033	16,917
Other reserves	3,083	-
Proposed result of the year	3,765	398
Adjustment IAS 19R	-	-171
Other comprehensive income	-244	-28
Shareholders' equity	**33,529**	**30,008**

Other reserves mainly consist of dedicated own resources, as are required by Regulation (EU) no. 648/2012 and Regulation (EU) no.153/2013.
Other comprehensive income comprises re-measurement effects arising from the defined benefit pension plan, net of tax.

	2014	2013
11. Contingent assets	**941,527**	**523,325**
The details of contingent assets at 31 December are presented below.		
Non-cash contribution to clearing fund (bonds)	31,700	39,185
Non-cash contribution to clearing fund (letters of credit)	-	-
Non-cash deposits to interoperability fund (bonds)	36,831	37,061
Cash deposits to interoperability fund	75,469	24,886
Non-cash mandatory collateral deposits (bonds)	205,314	129,460
Collateral received	592,213	292,760
Total contingent assets	**941,527**	**523,352**

The non-cash contribution to the clearing fund is governed by the rules of the Regulation Clearing Fund[5].
Interoperability fund deposits are comprised of cash and non-cash deposited by clearing participants of EuroCCP, according to the Regulation Interoperability Fund[6].

[5] Regulation Clearing Fund is available on our website: www.euroccp.com.

Mandatory collateral deposits are subject to the Regulation Collateral. The collateral received is relevant to REIP, that safeguards the cash provided by the clearing participants as clearing fund contributions and mandatory collateral deposits. EuroCCP does not have any economic interest in the collateral.

12. Contingent liabilities	**56,091**	**28,865**
Commitments (rental of premises)	1,058	-
Guarantee given	55,033	28,865

In December 2014, EuroCCP entered into a new premises rental agreement for the Amsterdam office. The minimum rental term is 5 years, starting April 1, 2015.

The "guarantee given" item is the collateral pledged by EuroCCP on 31 December to the other interoperable CCPs, to cover margin calls EuroCCP received from other interoperable CCPs under reciprocal collateral arrangements in place with Clearstream Banking, which allow the co-operating CCPs to provide collateral to each other to meet the inter CCPs margin obligations.

For EuroCCP, the assets used to provide collateral are deposited by the Clearing Participants in the interoperability fund designated account.

There are no contingent liabilities arising from post-employment obligations.

[6] Regulation Interoperability Fund is available on our website: www.euroccp.com.

Notes to the income statement for the year 2014

(x EUR 1,000)

	2014	2013
13. Net interest income	**-897**	**176**
This item includes interest income and interest expense from banks and customers.		
Interest income	765	527
Interest expense	-1,662	-351
Net interest income	**-897**	**176**
The interest income item can be split as follows:		
Interest income related party companies	188	127
Interest income third party banks	577	400
Total interest income	**765**	**527**
The interest expense item can be split as follows:		
Interest expense related party companies	-1,066	-149
Interest expense third party customers/banks	-596	-202
Total interest expense	**-1,662**	**-351**

	2014	2013
14. Net fees and commissions	**20,596**	**11,912**
The Commissions and fees item can be split as follows:		
Commission and fee income	37,704	21,828
Commission and fee expense	-17,108	-9,916
Net commissions and fees	**20,596**	**11,912**
The components of fee and commission are:		
Net commissions securities	20,688	11,954
Net commissions - other	-92	-42
Net commissions and fees	**20,596**	**11,912**

The breakdown of the net commissions and fees item is :

Net commissions and fees related party companies	-255	361
Net commissions and fees third party customers/banks	20,851	11,551
Net commissions and fees	**20,596**	**11,912**

15. Other revenue	**54**	**152**

This item consists mainly of foreign exchange differences on monetary items

	2014	**2013**
16. Personnel expenses	**6,380**	**4,175**

Details are presented below:

Salaries and wages	4,411	2,806
Social security charges	576	302
Contributions to defined contribution pension plans	89	37
Expenses related to defined benefit pension plans	164	428
Bonus expenses	1,001	550
Other	139	52
Total staff expenses	**6,380**	**4,175**

The salaries and wages item includes crisis tax amounting to EUR 32 thousand. The crisis tax was calculated in relation to 2013 fiscal salary and paid during 2014; it is applicable to personnel whose annual income exceeds EUR 150 thousand, according to the local legislation in vigour. For year ending 31 December 2014, the amount relates to the Management Board members only.
The remuneration of the Management Board in 2014 was EUR 1.2 million, composed of salary, bonus and severance payments (2013: EUR 505 thousand). The contributions made for the defined pension plan amounted to EUR 73 thousand (2013: EUR 71 thousand). The amounts disclosed for year 2013 relate to the members of the former Executive Board.
The amount paid to defined contribution pension plans of employees in Stockholm and London amounted to EUR 89 thousand in the income statement; the amount for 2013 was EUR 37 thousand (relevant only to Stockholm).
The amount expensed into the income statement relevant to the defined benefit plan in Amsterdam totalled EUR 164 thousand; 2013 defined benefit plan expensed amounted to EUR 428 thousand.
The average number of full time equivalent employees in 2014 was 38.3 (2013: 30).

Employee benefits

EuroCCP provides a defined benefit pension plan for its employees in Amsterdam. This pension plan is a career average pension plan with unconditional indexation of accrued benefits for employees and it is fully insured with the insurance company Zwitserleven. The insurance contract is a guarantee contract whereby accrued benefits are insured and covers a five year period ending on 31 March 2016. Within this period the assumption for the pension accrual is fixed at a rate of 3%. Due to the nature of the indexation, annual lump sums are currently paid by the EuroCCP for the indexation of accrued active pension benefits. Currently the company is in a redesign process whereby alternatives are being discussed in order to manage the expected cash pension costs increase as of 1 April 2016.
The plan assets of EuroCCP participates in the annual profit of the insurance company Zwitserleven and a return of 3% is guaranteed. At the end of each year, the profits are determined based on the results of Zwitserleven.

The plan assets are invested by Zwitserleven and profits are shared with EuroCCP if the investment return exceeds the contractual Zwitserleven discount rate of 3%. A guarantee is provided by Zwitserleven that any negative profits are not charged to the account of EuroCCP. The fair value of the plan assets is defined as the net present value of the insured cash flow (possible profit sharing included).

Benefit expense represents the amount recognised in income statement as the cost of a benefit plan for the period. The components are service cost and net interest on the net defined benefit liability/(asset).

Re-measurements on the net defined benefit liability, comprising actuarial gains and losses, return on plan assets and the effect of the asset ceiling (excluding interest) are immediately recognised in other comprehensive income. Net interest on the defined benefit liability/(asset) is determined by multiplying the net defined benefit liability/(asset) by the discount rate at the start of the accounting period, taking into account changes in the net defined benefit liability/(asset) as a result of contributions and benefit payments. Net interest on the defined benefit liability/(asset) comprises interest income on plan assets, interest costs on defined benefit obligation and interest on the effect of the asset ceiling. Past service cost is the change in the present value of the defined benefit obligation resulting from a plan amendment. A plan amendment occurs when an entity introduces or withdraws a defined benefit plan or changes the benefits payables under an existing defined benefit plan. A curtailment occurs when an entity reduces significantly the number of employees covered by the plan. The changes are immediately recognised in profit or loss. Gains and losses on the settlement of a defined benefit plan are recognised when the settlement occurs.

The net defined benefit asset/liability is the deficit or the surplus adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The deficit/surplus is the present value of the defined benefit obligation less the fair value of plan assets. The interest applied by the insurance company to determine the premium equals 3%, which is more than the discount rate currently part of experience loss taken into the statement of other comprehensive income.

An assumption has been made for an allowance for the plan expenses: they are estimated at 4.5% of the contribution to the plan and are part of administration costs (service cost). Other plan administration costs are a separate component of the service cost. Past service costs are recognised immediately in (in income statement.

Pension obligations are determined by demographic assumptions (such as mortality, wage) and economic assumptions (such as inflation, value of plan assets and discount rate).

The economic assumptions currently used are as follows:

- annual discount rate of 3.7% at the beginning of 2014 and 2.4% at the end of 2014 is based upon the yields available on high-quality corporate bonds at the accounting date with a term that matches that of the liabilities. Generally AA credit rated corporate bonds are considered to satisfy the quality criteria. Using Bloomberg data, a yield curve was derived from it to determine the appropriate discount rate on the cash flows of the liabilities;
- price inflation assumed is 2%, based in the long term expectation for inflation in the EURO zone;
- general wage increase and career increases assumed an annual general increase of 2.5% and an age-related scale reflecting promotional increase;
- cost of living adjustments for active participants: accrued benefits of active participants will be increased annually at a rate of 2.5%; this indexation is unconditional based on the general wage increase;
- cost of living adjustments for non-active participants: current and future pension payments will increase at an average rate of 0,50% per year; this indexation is conditional dependent on the excess return as agreed with Zwitserleven;
- expected return on plan assets is 2.4% and it is equal to the discount rate.

The demographic assumptions used are as follows:

- mortality rates used are based on “AG Prognosetafel 2014” and Towers Watson mortality experience factors, as published;
- disability rates are based on an adjustments of 60% of the standard table of “Verbond van Verzekeraars”.

Social partners have agreed to adapt the current pension scheme, therefore a plan amendment occurs as at 1 January 2015. The change of the pension plan includes a change of the retirement age from 65 to 67 and a maximum salary of EUR 100 thousand in 2015. As result, a plan amendment gain of EUR 286 thousands has been accounted for 2014 pension expense.

Reimbursement rights are not applicable during the fiscal year, since no settlements by another party, of the pension benefits of the defined benefit plan took place during the fiscal year.

Post-employment benefit	2014	2013
Current service cost	411	393
Interest cost	22	17
Administrative expenses paid	17	18
Past services on amendments and curtailments	-286	-
Defined benefit plans	**164**	**428**
Defined contribution plans	89	37
Healthcare contributions	-	-
Total costs	**253**	**465**

The amounts recognised in the balance sheet are as follows:

	2014	2013
Present value of funded obligations	2,390	1,356
Fair value of plan assets	-1,908	-990
Present value of net obligations/(assets)	-	-
Unrecognised past service cost	-	-
Unrecognised actuarial (losses)/gains	-	-
Net liability/(asset) for defined benefit obligations	**482**	**366**
Provision for pension commitments	-	-
Pension assets	-	-
Net recognized liability/(asset) for defined benefit obligations	**482**	**366**

Movements in defined benefit obligations are as follows:

	2014	2013
Balance as at 1 January	1,356	905
Current service cost	428	411
Interest cost	65	49
Employee contributions	-	-
Actuarial gains/(losses)	**844**	**9**
- Experience adjustment	-64	-
- Financial assumptions adjustment	873	9
- Demographic assumption adjustment	35	-
Administrative expenses paid	-17	-18
Acquisitions/(disposals)	-	-
Past service on plan amendments and curtailments	-286	-
Balance as at 31 December	**2,390**	**1,356**

Movements in the fair value of plan assets are as follows:

	2014	2013
Balance as at 1 January	990	645
Return on plan assets	518	-28
Financial gains/(losses)	43	31
Employers contribution	374	360
Employee contributions/refunds	-	-
Benefits paid	-17	-18
Acquisitions/(disposals)	-	-
Recognised settlement and curtailment	-	-
Other	-	-
Balance as at 31 December	**1,908**	**990**

As year end 2013 and 2014 there is a net balance sheet liability, hence no net asset applies as well as no asset ceiling.

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, while other assumptions remain constant, might have affected the defined benefit obligation as shown below:

	Defined benefit obligation	Fair value of plan assets	Funded status
as per 31 December	2,390	1,908	482
Discount rate (movement +0,1%)	-76	-55	-21
Price inflation (movement +0,1%)	-3	-	-3
Wage, inflation and indexation (movement +0,1%)	28	-	28

The sensitivity analysis covers the change of the wage inflation from 2.5% to 2.6% as well as the corresponding indexation of accrued benefits of only actives, hence indexation parameter for non actives remains unchanged as this does not follow the wage inflation.

Additional disclosure information

Weighted average duration of defined benefit obligation	33.7 years

Additional cash flow information:

2014	timing	
Actual contributions by the employer	Mid-period	374
Actual contributions by plan participants	Mid-period	-
Actual benefit payments	Mid-period	-
Actual administrative expenses	Period start	17
Actual balance of transfer values (incoming/outgoing)	Mid-period	-
2015	**timing**	
Expected contributions by the employer	Mid-period	296
Expected contributions by plan participants	Mid-period	-
Expected benefit payments	Mid-period	1
Actual administrative expenses	Period start	13

	2014	2013
17. Depreciation and amortisation	**480**	**910**
Details of depreciation and amortisation expense are presented below:		
Depreciation expense	205	422
Amortisation expense	275	488
Total depreciation and amortisation	**480**	**910**

	2014	2013
18. Other operating and administrative expenses	**7,776**	**6,526**
Details of other operating and administrative expenses are presented below:		
Technology and system costs	4,834	4,037
External staff	986	886
Audit, legal and compliance expenses	220	257
Consultancy	291	309
Travel and representation expenses	209	70
Rental expenses	568	467
Other	668	500
Total other operating and administrative expenses	**7,776**	**6,526**

The allocation of total operating and administrative expenses was as follows:

Expenses related parties	3,109	2,552
Expenses third parties	4,667	3,974
Total other operating and administrative expenses	**7,776**	**7,085**

The remuneration paid to the auditor amounted to EUR 111 thousand for the audit of financial statements and EUR 12 thousand for non-assurance engagements related to the REIP (2013: EUR 82 thousand and EUR 12 thousand respectively).

The remuneration to the Supervisory Board was EUR 139 thousand in 2014 (including VAT) relevant to 2 members (2013: EUR 54 thousand, one member).

	2014	**2013**
19. Income tax	**1,163**	**222**
The details of the corporate income tax are presented below ("-" is profit in this particular note):		
Current tax expenses for the current period	1,251	157
Adjustment recognised in the period for current tax of prior periods	-7	180
Deferred tax expense arising from previous period	-	-106
Total income tax expenses	**1,244**	**231**
Income tax relating to other comprehensive income	-81	**-9**
Total income tax	**1,163**	**222**

The effective tax rate was 24.8%, close to the corporate income tax of 25% in the Netherlands. For the previous year, the effective tax rate was 35.3% higher than corporate income tax of 25%.

Legal procedures

EuroCCP is not involved in court procedures.

Amsterdam, 24 June 2015

Management Board:

Diana Chan

Albert-Jan Huizing

Supervisory Board:

Jan Bart de Boer

Andrew Gray

Mark Hemsley

Lauri Rosendahl

Peter Bezemer

Iain Saville

Other information

Independent auditor's report

To: the General Meeting of Shareholders and Management Board of European Central Counterparty N.V.

Report on the financial statements

We have audited the accompanying financial statements 2014 of European Central Counterparty N.V., Amsterdam, which comprise the statement of financial position as at 31 December 2014, the statements of comprehensive income, changes in shareholder's equity and cash flows for the year then ended and notes, comprising a summary of the significant accounting policies and other explanatory information.

The Management Board's responsibility

The Management Board is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code, and for the preparation of the management board report in accordance with Part 9 of Book 2 of the Netherlands Civil Code. Furthermore, the Management Board is responsible for such internal control as they determine necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Management Board, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of European Central Counterparty N.V. as at 31 December 2014 and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code.

Report on other legal and regulatory requirements

Pursuant to the legal requirements under Section 2:393 sub 5 at e and f of the Netherlands Civil Code, we have no deficiencies to report as a result of our examination whether the management board report, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this Code, and whether the information as required under Section 2:392 sub 1 at b - h has been annexed. Further, we report that the management board report, to the extent we can assess, is consistent with the financial statements as required by Section 2:391 sub 4 of the Netherlands Civil Code.

Amstelveen, 24 June 2015

KPMG Accountants N.V.

C.C.J. Segers RA

Post-balance sheet date events

The Board of Directors proposes that the net profit for 2014 totalling EUR 3.8 million to be added to retained earnings.

On 12 May 2015, ABN AMRO Clearing Bank N.V. transferred its shares in EuroCCP to ABN AMRO Clearing Investments B.V.

Supervisory Board and Management Board members

From left to right:

Peter Bezemer, former member of the Executive Committee of Euronext; currently a financial services consultant, Independent Non-Executive Director (INED) of EuroCCP Supervisory Board

Mark Hemsley, Chief Executive Officer of BATS Chi-X Europe, member of EuroCCP Supervisory Board

Diana Chan, Chief Executive Officer of EuroCCP, member of EuroCCP Management Board

Andrew Gray, Managing Director, Group Chief Risk Officer of DTCC and member of the DTCC Management Committee, member of EuroCCP Supervisory Board

Jan Bart de Boer, Chief Commercial Officer of ABN AMRO Clearing Bank, chairman of EuroCCP Supervisory Board

Lauri Rosendahl, Senior Vice President of Nordic Equities and Equity Derivatives of NASDAQ Transaction Services Nordic, member of EuroCCP Supervisory Board

Albert-Jan Huizing, Chief Technology Officer of EuroCCP, member of EuroCCP Management Board

Iain Saville, founder and former CEO of CRESTCo Ltd; currently an independent director of BNY Mellon CSD SA/NV, Independent Non-Executive Director (INED) of EuroCCP Supervisory Board

Not in the picture:

Jeffrey King, Managing Director, Markets & Securities Services and Custody Product Development at Citibank, chairman of EuroCCP Advisory Board, observer at EuroCCP Supervisory Board

Management Team members

From left to right:

Theo Houwink ten Cate, Head of Legal & Compliance

Arnoud Siegmann, Head of Chief Risk Officer

Jan Treuren, Head of Product and Change Management

Diana Chan, Chief Executive Officer

Björn Svensson, Head of Nordic Markets, Head of Marketing, Secretary

Albert-Jan Huizing, Chief Technology Officer

Mark Estaugh, Head of Sales, Marketing & Relationship Management

Brad Arrowsmith, Head of Operations